

Washington, this session. There is some doubt as to its ready acceptance, at present; and for this reason it is to be allowed to stand, in the hope that public opinion will have become favorable to it, so as to admit of its going into effect a little more than a year hence. By this step, the United States abandons its traditional policy of confining the sphere of its action to this continent. It, at the same time, gives the answer to the question which seeks to find out whether the Republic is in favor of annexing additional territory. To get these islands, the Republic stretches out its arm a distance of more than two thousand miles. And the President finds that the annexation is in accordance with the traditional policy of the country, silent reference being to Florida, Texas and California. The annexation feeling is not excessively strong, as the delay in the ratification of the treaty witnesses; but it is a growing feeling, and it may safely be predicted that ratification will meet a wide, though not general, approval.

FINANCIAL REVIEW.

We give below a condensation of the figures of the statement of Canadian banks for the month of May. It is compared with the bank statement for the previous month, and shows capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, &c.

CANADIAN BANK STATEMENT.

LIABILITIES.		
	May, 1897.	April, 1897.
Capital authorized.....	\$ 72,958,684	\$72,958,684
Capital paid up.....	61,493,156	61,903,542
Reserve Funds.....	27,020,799	26,785,799
Notes in circulation.....	\$31,820,445	\$30,814,923
Dominion and Provincial Government deposits.....	6,974,898	7,322,510
Public deposits on demand.....	70,183,545	69,730,791
Public deposits after notice.....	129,532,122	126,994,097
Bank loans or deposits from other banks secured.....	17,642	5,000
Bank loans or deposits from other banks unsecured.....	2,838,777	2,605,373
Due other banks in Canada in daily balances.....	133,477	104,684
Due other banks in foreign countries..	320,798	488,468
Due other banks in Great Britain.....	3,373,262	5,024,749
Other liabilities.....	958,688	330,390
Total liabilities.....	\$246,133,727	\$243,421,066
ASSETS.		
Specie.....	\$8,657,293	\$8,653,749
Dominion notes.....	15,936,862	15,792,116
Deposits to secure note circulation....	1,848,493	1,846,218
Notes and cheques of other banks.....	8,519,447	6,813,160
Loans to other banks secured.....	31,094	26,053
Deposits made with other banks.....	3,679,882	3,373,721
Due from other banks in foreign countries.....	18,763,773	16,401,566
Due from other banks in Great Britain..	8,981,513	8,287,727
Dominion Govt. debentures or stock	2,800,224	2,794,416
Other securities.....	24,851,672	24,346,027
Call loans on bonds and stock.....	14,256,608	13,540,564
		\$ 90,062,506
Loans to Dominion and Provincial Governments.....	821,469	847,357
Current loans and discounts.....	211,750,319	216,284,936
Due from other banks in Canada in daily exchanges.....	161,916	154,491
Overdue debts.....	3,419,427	3,691,574
Real estate.....	1,989,223	2,016,420
Mortgages on real estate sold.....	509,298	520,113
Bank premises.....	5,627,440	5,665,249
Other assets.....	2,086,915	2,301,956
Total assets.....	\$334,693,054	\$333,357,594
Average amount of specie held during the month.....	8,551,022	8,409,038
Average Dominion notes held during the month.....	15,717,060	15,480,868
Greatest amount notes in circulation during month.....	32,637,033	32,533,897
Loans to directors or their firms.....	8,135,095	8,452,148

It could hardly be expected that the tone of banking addresses would be jubilant in such a year as this. At the

same time it is only reasonable to note that the banks are all keeping up their dividends, and that they have all earned them, with perhaps one exception. When banks are able to do this, although it may be complained that things are not better than they are, it is very natural to say in reply that they might be a great deal worse. We have known times when dividends had to be reduced generally, and some passed by altogether; and not only so, but when in some cases capital itself had to be reduced, and by very large amounts too. Considering the times that have passed over us, the stockholders of banks are really to be congratulated that things are as they are, and it certainly is an evidence that Canadian banks generally are conducted with a large degree of skill and good judgment that such results have been brought out at all.

When we consider the enormous sums that are represented by the dividends of the banks, and that these have to be paid out of profits after bad and doubtful debts have been provided for, one can understand that nothing but extreme vigilance, constantly exercised, along with a technical skill, acquired by long practice, could bring out such results as have been in evidence.

The bankers generally do not speak in a sanguine tone as to the prospects for the future. This quite becomes them. It is better for men in their position to err on the safe side, knowing as they do what a few slight words of encouragement spoken by them may lead to with people of a sanguine temperament, as some of the customers of banks are. The clouds that have been lowering over the financial position in the United States have by no means blown over yet, and the old spectre of the rehabilitation of silver on a dishonest basis, has again begun to lift up its head. The visit of Mr. Bryan, the defeated candidate for the American Presidency, can have little or no bearing upon ourselves directly, for it is the last thing in the world to be thought of, that Canada herself should deliberately step out from the solid ground of a gold basis, to the miserable quagmire of a currency based on silver taken at double what it is worth. But his visit to Canada had a significance for all that, and the significance was this, that the policy he represents is not dead. If it were, he would find some other topic to lecture upon. His fine oratorical abilities would find plenty of scope in other directions, in that of putting the tariff on a rational basis, for example. But the fact that he chooses to keep up the agitation for this dishonest silver basis, plainly shows that there are still multitudes of people in the United States who favor it, and have an interest in working to bring it about. All that this involves in the way of an undercurrent of disturbance, a repression of legitimate enterprise, a prevention of national development, can hardly be estimated, except by those who have made a study of the question.

Then the future of our lumber trade with the United States is cloudy enough. The high duty that is almost certain to be embodied in the American tariff, may, however, possibly lead to prices being advanced generally in the markets of the States, so that the duty will as usual be paid by the consumer, and leave the Canadian producer unscathed. Or, if the prospect of an export duty on logs be sufficient to cause the lumber interests of Michigan to rouse themselves to still greater exertions, and so prevent the increased duty from being imposed at all, this may cause the cloud to shift somewhat and a better state of things to supervene. But the real factor that determines the position is the dullness of the demand for lumber in the United States itself. If business were buoyant and lumber in strong demand legislative obstacles would soon be overridden, and trade would assume its natural condition as regulated by supply and demand. But the currency